



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 28, 1984

Mr. Leon J. Munyon
Sunshine Mining Company
P. O. Box 250
Eureka, Utah 84628

Dear Mr. Munyon:

RE: Tentative Approval Decision, Burgin Project, ACT/049/009,
Utah County, Utah

The Division of Oil, Gas and Mining made a decision to give tentative approval to the Mining and Reclamation Plan submitted for the Burgin Project on December 14, 1984. This decision has been published as an Order to Show Cause in the Provo Daily Herald on December 26, 1984, as required by the Utah Mined Land Reclamation Act (Title 40-8, Utah Code Annotated 1953). A copy is enclosed for your information.

The 30 day public notice period will expire on January 25, 1985. At that time, if no adverse comments have been received, and the agreed upon surety has been submitted and signed by the Board of Oil, Gas and Mining, Final Permit Approval may be given. The seven stipulations contained in the Order to Show Cause will become stipulations to the Final Permit, unless they are adequately addressed in the interim period.

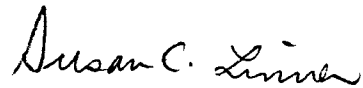
A new cost estimate for reclamation (enclosed) has been prepared based upon information submitted by Sunshine Mining Company on December 21, 1984. This estimate does not include a bond amount for sealing the Trixie shaft. As indicated in the document, either Sunshine Mining Company or the landowner must bond for the shaft before Final Permit Approval can be granted.

Also note that the existing bond for the Apex Shaft has been consolidated into the bond estimate. Once the revised bond has been received and accepted by the Division, the bond for the Apex Shaft will be released.

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Mr. Leon J. Munyon
ACT/049/009
December 28, 1984

Please feel free to contact me or Randy Harden if you have questions.

Sincerely,



Susan C. Linner
Permit Supervisor/
Reclamation Biologist

btb
Enclosures
cc: Joe Jarvis
Ron Daniels
Randy Harden
0020R-23 & 24

DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

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IN THE MATTER OF TENTATIVE
APPROVAL OF THE MINING AND
RECLAMATION PLAN SUBMITTED
BY SUNSHINE MINING COMPANY,
UTAH COUNTY

* ORDER TO SHOW CAUSE
* ACT/049/009
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THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION,
MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED
IN SECTIONS 13, 14, 15, 16, 22 AND 28 TOWNSHIP 10 SOUTH, RANGE 2
WEST, UTAH COUNTY, UTAH.

Notice is hereby given that tentative approval was given by the
Division of Oil, Gas and Mining, on December 14, 1984 to Sunshine
Mining Company to commence underground mining and milling operations
in Section 13, 14, 15, 16, 22 and 28 Township 10 South, Range 2
West, Utah County, Utah.

The Burgin Shaft (now called Apex shaft) was previously approved
by the Division of Oil, Gas, and Mining under the same ACT number.
When the new operations are permitted the whole area will be
considered as being under one permit, and will be known as the
Burgin Project.

The name of the mining operation is the Burgin Project and the
person representing the company is Mr. Leon J. Munyan, P. O. Box
250, Eureka, Utah 84628.

Sunshine Mining Company has fulfilled obligations under the Utah
Mined Land Reclamation Act of 1975 (Section 40-6, UCA 1953 as
amended) with specific reference to Section 40-8-13 and will employ
the following mining and reclamation techniques on approximately 110
acres of fee owned land.

During Operations:

1. The tentative approval covers operations at the Trixie Mine
Shaft, Hunter Shaft (to be constructed), and the Burgin
Mill site facilities including a tailings pond to be
constructed and a series of settling ponds for mine water
discharge.

2. Most of the area is previously disturbed, but on areas of proposed new disturbance topsoil will be salvaged and saved to use for reclamation. Erosion control measures will be implemented.
3. A 35' high tailings dam will contain a pond which will eventually cover 25 acres. The reservoir will be clay-lined to prevent percolation and equipped with monitoring wells to sample groundwater. A drain system with pump will capture fugitive leachates and return them to the pond.
4. A mine water discharge of 9,000 gallons per minute will travel through an intermittent drainage channel 3.5 miles to the six settling ponds. Water will eventually percolate into deep alluvial valley fills. Sampling has shown the quality of this water to be non-deleterious.
5. An NPDES discharge permit has been applied for.
6. A surety bond sufficient to cover the State's cost to reclaim the area will be posted prior to final approval.

Following operations:

1. All buildings, facilities and utilities will be removed. Shafts will be closed and fenced.
2. Topsoil will be spread, or compacted soil will be ripped in areas where no topsoil was saved. All reclaimed areas will be seeded with a mix of species adapted to the area. Test plots are being conducted to determine the best seed mix to use to reclaim waste rock dumps.
3. Excess dam material will be pulled onto tailings, the area topsoiled and reseeded. Dikes of the settling ponds will be leveled and the area reseeded.
4. Revegetation success will be monitored for three years. Water monitoring wells will continue to be sampled for three years, then closed with cement plugs.
5. The County road and Denver and Rio Grande Railroad line will remain in place.

The Division of Oil, Gas and Mining plans to approve the permit with the following stipulations:

1. Bonding Requirements; Rule M-5-JRH

The applicant shall resubmit their bond cost estimate schedule with a complete account of all areas within the Mine Permit Area, including the total permit area, the area currently disturbed, the proposed areas to be disturbed, and the acreage and areas to be reclaimed. Cost estimates for reclamation shall also be revised accordingly. The applicant must also indicate if the Apex bond currently held by the Division is to be revised and included in the the bond estimate, or held as a separate area. The applicant shall resubmit their bond estimate within 15 days after publishment of this notice.

2. Revegetation; Rule M-10(12)-LK

The seed mix for final reclamation of the waste dumps will be revised to a more diverse mixture of grasses, forbs and shrubs. Determination of the seed mix will be made after analysis of the Apex test plots. Seed mix revision will be submitted to the Division for approval prior to December 31, 1985.

3. Rule M-10(14)-1-TLP

Immediately after redistribution of soil materials which comprise the dikes of the current settling ponds all such soil material shall be sampled. The objectives of sampling shall be to: 1) Detect trouble spots (high salt and/or sodium; 2) to serve as a basis for final fertilizer recommendations as well as for other amendments such as organic materials. A sampling grid capable of an intensity achieving the above objectives shall be proposed for approval within ninety (90) days of permit approval.

4. Rule M-10(14)-2-TLP

In the Hunter Shaft and tailings pond area to be reclaimed a similiar (it may be of lower intensity) sampling grid shall be employed to serve as a basis for fertilizer recommendations.

5. Rule M-10(14)-3-TLP

The incorporation of both fertilizer and organic matter where applicable shall be to a depth of six (6) inches.

6. Rule M-10(14)-4-TLP

Sunshine Mining Company shall separately remove and stockpile subsoil (C horizon) material at the proposed tailings dam location. The removal of such soil shall be performed under the direct supervision of a qualified individual.

7. Rule M-10(12)-1-TLP

If favorable revegetation results are not evident at the Burgin Mill complex by July, 1987 the operator shall consult with the Division for the purpose of devising a test plot program aimed at providing for successful reclamation. Such a program shall be implemented by Fall of 1987.

Any person or agency aggrieved by this tentative decision is hereby requested to submit written protest within thirty (30) days of the date of publication to the Division of Oil, Gas and Mining, 355 W. North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203, setting forth factual reasons for his or her complaint, and thereafter, at a time and place to be established, appear before the Board of Oil, Gas and Mining to show cause, if any, why this mine plan should not be approved.

DATED this 20th day of December 1984.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

Marjorie L. Larson
Administrative Assistant

LC076R

NEW BURGIN MINE COST ESTIMATE

In order to consolidate all operations of the Sunshine Mining Company into one Permit Bond, the Apex Shaft area bond shall also be included. Current plans by Sunshine calls for reclamation in 1995. Inflation is currently factored at 6.78% per year on bond estimates(Ref. Means '84). Bonding estimate for each area in 1984 dollars is as follows:

HUNTER SHAFT RECLAMATION AREA

(See attached estimates by Sunshine.)

\$ 48,100.00

BURGIN RECLAMATION AREA

(See attached estimates by Sunshine.)

\$ 129,600.00

TAILINGS & WATER SETTLING PONDS RECLAMAION AREA

(See attached estimates by Sunshine.)

\$70,060.00

TRIXIE MINE AREA

(See attached estimates by Sunshine.)

37,320.00

APEX SHAFT AREA

The Apex Shaft area currently has a bond in the amount of \$67,572.00 for 2.8 acres. This bond amount has been re-adjusted for inclusion into the bond amount. Calculation of the adjustment is as follows:

Previous bond amount subtotal (1982\$) was \$32,456.00. Inflating at 13% for two years, (13% as shown on the bond estimate) brings the subtotal to \$41,440 in 1984 dollars. (See attached estimates by Sunshine.)

\$ 41,440.00

SUBTOTAL FOR ALL AREAS IN 1984 DOLLARS -

\$ 326,520.00

ADD 10% FOR CONTINGENCY -

\$ 32,650.00

SUBTOTAL - (1984 DOLLARS)

\$ 358,170.00

INFLATION @ 6.78% FOR 11 YRS TO 1995 DOLLARS -

\$ 378,850.00

TOTAL BOND ESTIMATE IN 1995 DOLLARS -

\$ 737,020.00

TOTAL BOND ESTIMATE IN 1995 DOLLARS - (NEAREST \$100)

\$ 737,000.00

DEC 1984

The applicant has indicated that the Trixie Shaft is to be left intact as per Chief Consolidated's request. The Division cannot allow the mine shaft to remain without bond. Either Sunshine or the landowner will have to provide for a reclamation bond for the Trixie shaft. It would be preferable to have Sunshine carry the reclamation bond for the Trixie Shaft in that Sunshine is the operator. Allowance and rebonding for the shaft could be made upon the reclamation or termination of the lease to allow the landowner to take possession of the shaft.

Stipulation

Reclamation Bonding for the Trixie Shaft must be included prior to permit approval.

0058R/jrh/12-84.